

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF FEBRUARY 2002

Dated	Subject	Distribution
02-01-02	Rural Economic Development Loan and Grant Program Maximum Dollar Amount on Awards for Fiscal Year 2002	S/D
02-05-02	Fiscal Year (FY) 2002 Procurement Preference Program Goals	S/D
	REMINDER - Personal Use of Government Equipment	RD Employees
02-08-02	Administrative Budget Teleconference	S/D
	Administrative Budget Teleconference	N.O.Officials
02-21-02	Intermediary Relending Program Second Quarter Funding	S/D
	Rural Business-Cooperative Service Civil Rights Program Compliance	S/D
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, D/D, C/S
02-26-02	Rural Economic Development Loan and Grant Program Projects Funded for Second Quarter Fiscal Year 2002	S/D

February 26, 2002

SUBJECT: Rural Economic Development Loan and Grant Program
Projects Funded for Second Quarter Fiscal Year 2002

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The Rural Business-Cooperative Service (RBS) has announced loan and grant selections for the second quarter of fiscal year (FY) 2002 under the Rural Economic Development Loan and Grant (REDLG) Program. A listing of loan and grant awards is attached for your information.

During the second quarter of FY 2002, 15 loan applications totaling \$5.242 million were considered by RBS for financing. All applications were selected for funding. These 15 zero-interest loans will be leveraged by \$24.2 million of private and public financing and will directly create 186 jobs in rural areas and help sustain 306 existing positions. In addition, 5 grant applications totaling \$860,000 were considered and selected for funding. These grants will enable the Rural Utilities Service borrowers to establish or enhance revolving loan fund programs to provide zero-interest loans to finance community and medical projects within rural areas.

The deadline for receipt of new REDLG funding requests in the National Office for consideration during the third quarter FY 2002 funding period is **close of business March 29, 2002**.

If you have any questions concerning this memorandum or would like further information on any of the second quarter REDLG awards, please contact Patricia Wing, Loan Specialist, Specialty Lenders Division Processing Branch, (202) 720-9558.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

Attachments

EXPIRATION DATE:
September 30, 2002

FILING INSTRUCTIONS:
Community/Business Programs

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
SECOND QUARTER FY 2002 LOAN AWARDS**

State	Project	Priority Points	Loan Amount
TN	Tennessee Valley Electric Cooperative	274	450,000
MO	Black River Electric Cooperative	263	450,000
MN	Tri-County Electric Cooperative	262	300,000
MN	East Otter Tail Telephone Company	252	450,000
MN	Lake Region Cooperative Electrical Association	247	450,000
NE	The Midwest Electric Cooperative Corporation	247	400,000
MN	Arvig Telephone Company	242	450,000
WI	Scenic Rivers Energy Cooperative	239	450,000
KS	Nemaha-Marshall Electric Cooperative Association	238	331,000
KS	Wheatland Electric Cooperative, Inc.	235	320,000
MN	Gardonville Cooperative Telephone Association	229	280,000
MN	East Otter Tail Telephone Company	213	450,000
MN	Red River Valley Cooperative Power Association	211	173,200
KS	Leavenworth-Jefferson Electric Cooperative Assn., Inc.	179	160,000
IA	Farmers Telephone Company	169	<u>128,000</u>
15 Loans		Total	\$5,242,200

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
SECOND QUARTER FY 2002 GRANT AWARDS**

State	Project	Priority Points	Loan Amount
IA	North West Rural Electric Cooperative	218	\$200,000
IA	Lyon Rural Electric Cooperative	215	100,000
NC	Jones Onslow Electric Membership Corporation	200	200,000
KS	Western Cooperative Electric Association, Inc.	199	160,000
MN	Goodhue County Cooperative Electric Association	198	<u>200,000</u>
5 Grants		Total	\$860,000

**RURAL ECONOMIC DEVELOPMENT LOAN AWARDS
SECOND QUARTER FISCAL YEAR 2002**

Description of Projects

- **Tennessee Valley Electric Cooperative, Savannah, Tennessee**

Building for food service equipment manufacturer - \$450,000

The loan will assist COYOD, LLC (COYOD), in financing the construction of a 30,000 square foot building on a 7.9 acre site in the Savannah/Hardin County Industrial Park in Hardin County, Tennessee. The company manufactures and sells custom fabricated equipment to foodservice distributors. The company offers an entire line of products, including custom-designed equipment, tray makeup and delivery system for healthcare and correctional institutions, cafeteria line equipment, correctional feeding trays, and delivery carts to the foodservice equipment industry nationwide. The new building will be constructed adjacent to the company's existing facility and will create additional production space to meet a growing demand for foodservice equipment. It is anticipated that 30 new job opportunities will be created as a result of the project. Total cost of the project is estimated to be \$700,000.

- **Black River Electric Cooperative, Fredericktown, Missouri**

Building for machinery company - \$450,000

The loan will assist Kent Corporation in financing the construction of a 32,000 square foot building near Ellington in Reynolds County, Missouri. Kent Corporation is a manufacturer of machinery used in sawmills and the wood processing industry. The new facility will provide the space needed to expand the company's product line and to do fabricating work that is currently subcontracted out. The new facility will also permit Kent Corporation to fully expand into the wood processing side of the business. Kent Corporation currently employs 5 workers and proposes to create 15 new positions as a result of the project. Total cost of the project, including building and equipment purchases, is \$900,000.

- **Tri-County Electric Cooperative, Rushmore, Minnesota**

Equipment for ethanol plant - \$300,000

The loan will assist Pro-Corn, LLC (Pro-Corn), in financing the purchase of equipment for its ethanol plant located in Preston, Fillmore County, in southeastern Minnesota. Pro-Corn is owned by more than 1,000 farmer-members. The demand for ethanol is driving the need to expand the plant from its current capacity of 20 million gallons to 36 million

gallons of ethanol produced per year. This value-added product is an economic boost to the area's predominantly agricultural economy. The production of ethanol from corn enables all of the area farmers to earn a higher price for their crops. The majority of the expansion will be accomplished through the installation of additional machinery and equipment within the existing facility. Four additional fermenters will be added and a building constructed to house them. A building to house the distillation process will be built, a cooling tower, a 380,000-bushel corn storage bin, and an 800,000-gallon ethanol storage tank will also be erected. Pro-Corn currently employs 27 workers and will add 6 additional positions as a result of the expansion. Total cost of the project is \$18.5 million.

- **East Otter Tail Telephone Company, Perham, Minnesota**

Warehouse facility for pet food company - \$450,000

The loan will assist Tuffy's Pet Foods, Inc. (TPF), in financing the acquisition of a 40,000 square foot warehouse facility in Perham, Otter Tail County, Minnesota. TPF is a manufacturer of dry and semi-moist pet foods primarily distributed in an eight state area including Minnesota, Wisconsin, North Dakota, South Dakota, Michigan, Montana, Iowa and Nebraska. The pet food products are sold in varied retail locations including grocery stores, farm and feed stores, mass merchandisers, pet stores, and veterinary offices. TPF employs 38 workers at its Perham facility and proposes to add 32 additional positions within the next 2 years. Cost of the warehouse acquisition is \$800,000.

- **Lake Region Cooperative Electrical Association, Pelican Rapids, Minnesota**

Building for auto auction business - \$450,000

The loan will assist BTM Co. in financing the construction of a 27,000 square foot facility to house Mid-State Auto Auction in New York Mills, Otter Tail County, Minnesota. Mid-State Auto Auction is a subsidiary business of BTM Co. that sells vehicles on the wholesale market. Only auto dealers can participate in the sale and purchase of vehicles. Sellers and buyers are responsible for delivering the vehicles to the auction site and removing them after the purchase. Sellers pay a commission to Mid-State Auto Auction for selling the vehicles and the buyers pay Mid-State a fee when purchasing the vehicles. The new facility will replace an existing building that is too small for the company's needs. Mid-State Auto Auction currently employs 75 FTEs and is estimated to create an additional 55 FTEs during the next 2 years of operation. Total estimated cost of the project is \$1.147 million.

- **The Midwest Electric Cooperative Corporation, Grant, Nebraska**

Renovation of school - \$400,000

The loan will assist the Wallace School District 65-R (School District) in financing the expansion and renovation of its school facility located in Wallace, Lincoln County, Nebraska. The School District covers 483 square miles in parts of Lincoln, Perkins, and Hayes Counties. A new building addition will be constructed that will house the fifth and sixth grades, provide adequate kitchen and cafeteria facilities, and offer additional space to better accommodate classroom activities and school functions. The remodeling phase of the project will provide expanded library facilities, expanded special education facilities, and provide a technology center for student and community use. The technology center will be used in conjunction with the Southwest Nebraska Distance Learning Consortium to offer classes and training to students, businesses, and residents of the School District to provide or improve marketable skills. The School District employs 29 full-time and 9 part-time employees. One additional employment position will be created as a result of the expansion. Total cost of the project is \$2.215 million.

- **Arvig Telephone Company, Pequot Lakes, Minnesota**

Building for tooling company - \$450,000

The loan will assist Liberty Tool of Minnesota, Inc. (Liberty), in acquiring and renovating a vacant 18,000 square foot commercial building in Pequot Lakes, Crow Wing County, Minnesota. Liberty is a manufacturer of quality cast aluminum tooling and revisions to existing tooling for the rotational plastics industry. Due to exceptional growth during the past 4 years, Liberty is in need of a larger facility to meet the demands of its current customers and to allow pursuit of new customers. The new facility will allow the company to expand its casting capabilities to produce larger products and to target new markets such as the playground equipment industry. Liberty currently employs 14 people. With its larger production facility, Liberty anticipates creating 8 new job opportunities. Total cost of the project is \$1.035 million.

- **Scenic Rivers Energy Cooperative, Lancaster, Wisconsin**

Building and equipment for food packaging company - \$450,000

The loan will assist Brewster Enterprises, LLP (Brewster), in financing a 25,000 square foot refrigerated warehouse and distribution facility, with associated equipment, for use by its subsidiary business, Shullsburg Creamery, Inc. (SCI). SCI is located in Shullsburg, Lafayette County, Wisconsin. SCI is a value-added industry for partially processed agricultural and manufactured products. SCI purchases products in bulk from manufacturers and repackages them into consumable-sized units for the retail market. Although SCI offers literally hundreds of products, its largest volume is in packaging and

distribution for the Wisconsin cheese industry. SCI purchases cheese products in bulk from 100 suppliers throughout the region, then repackages and distributes the cheese for retail sale. SCI supplies approximately 1,000 retail stores with products for resale, but the larger retail store chains such as Wal-Mart, Fairway, and HyVee, account for more than half of SCI sales. Products are primarily distributed throughout Wisconsin, Iowa, Nebraska, and parts of Illinois. SCI employs 70 workers and proposes to create 12 new positions as the result of the expansion. Total cost of the project is \$1.56 million.

- **Nemaha-Marshall Electric Cooperative Association, Axtell, Kansas**

Building for trailer manufacturing business - \$331,000

The loan will assist the City of Marysville (City), Marshall County, Kansas, in financing the construction of an industrial and office buildings that the City will lease to Fastline, Ltd., a custom build trailer manufacturing business. The City will construct a 600 square foot office building and a 20,000 square foot manufacturing building for use by Fastline. The new facilities will allow Fastline to expand its operations to meet customer demand. Fastline will enter into a lease-purchase agreement with the City. Fastline currently employs 6 FTEs and anticipates adding 8 additional job positions within the next 2 years. Total cost of the project is \$414,000.

- **Wheatland Electric Cooperative, Inc., Scott City, Kansas**

Building for grain elevator - \$320,000

The loan will assist Boulware Grain Company, Inc. (Boulware), a family-owned independent grain elevator, in financing the construction of a grain storage building. Boulware is located in Modoc, a small unincorporated area, in Scott County, Kansas. Boulware currently operates eleven grain storage buildings with a total capacity of 1.8 million bushels. The new facility will provide additional storage capacity of 380,000 bushels. Agricultural producers will benefit from the ability to store more grain until marketing opportunities are greatest. Grain production and local sales and usage are paramount to this region's economy. Boulware will create one full-time and one part-time position as a result of the project. Total cost of the storage facility is \$450,000.

- **Gardonville Cooperative Telephone Association, Brandon, Minnesota**

Building for maker of loading ramps - \$280,000

The loan will assist Bear Track Properties in financing the purchase of land and the construction of an 11,200 square foot manufacturing facility to house Bear Track Products, Inc., a company that manufactures aluminum trailers for snowmobiles and

utility purposes, aluminum residential loading ramps, and E-Z Guides. Bear Track Products, Inc., is an affiliated company of Bear Track Properties. The market and customer base for the ramps is very well established, and Bear Track currently sells ramps to over 600 dealers in the United States and Canada. The trailer segment of the company is in the early stages of growth. EZ Guides are a snowmobile trailer accessory item designed to protect plywood decks from carbide damage. At the present time, Bear Track Products operates from leased space outside the city of Brandon in Douglas County. The company is unable to expand at its current location. Since the city of Brandon does not have a suitable building or available land, the company proposes to construct a new facility in nearby Evansville, also in Douglas County. Currently, Bear Track Products employs 5 workers and proposes to create 12 additional job opportunities as a result of the proposed expansion. Total cost of the project is \$496,000.

- **East Otter Tail Telephone Company, Perham, Minnesota**

Building to house a medical clinic - \$450,000

The loan will assist the Mills Clinic, LLC, in financing the construction of a 5,850 square foot building to house a medical clinic in New York Mills, Otter Tail County, Minnesota. The tenant of the building will be MeritCare Medical Group (MeritCare). MeritCare currently operates a clinic in New York Mills from a facility that is attached to the local nursing home. Due to overcrowding and other inefficiencies in the existing building, a new facility is being constructed. The existing clinic at the nursing home will be remodeled and used as physical and occupational therapy space to serve the nursing home residents. MeritCare employs 8 full-time employees. The new facility will allow MeritCare to create 2 new employment opportunities within the first year of occupancy. Total cost of the clinic building is \$635,000.

- **Red River Valley Cooperative Power Association, Halstad, Minnesota**

Expansion of equipment sales and service building - \$173,200

The loan will assist Red Power International (RPI) in financing the expansion and renovation of its agricultural equipment sales and service building located in Ada, Norman County, Minnesota. RPI sells and services agricultural equipment from two Minnesota locations, Ada and Crookston. In addition to being a full line dealer and service provider for Case Equipment, RPI also sells and services New Holland equipment. The company has also expanded into lawn and garden equipment and tools. These expanded product lines have allowed RPI to begin dealing with a client base other than from the agricultural market. Due to market and product expansion, RPI is lacking sufficient building space for storage and service work. The existing facility in Ada will be renovated and expanded to meet the company's needs. RPI currently employs 25 individuals on a full-time basis and 3 on a part-time basis. When completed, the

expanded facilities will result in the creation of 3 additional job positions, a sales person, a parts person, and a service technician. Total cost of the project is \$216,500.

- **Leavenworth-Jefferson Electric Cooperative Association, Inc., McLouth, KS**
Purchase a new fire truck - \$160,000

The loan will assist the Stranger Township Fire Department (Fire Department) in financing the purchase of a new fire truck for fire protection in Stranger Township, located in Leavenworth County, Kansas. The Fire Department serves an area of 50 square miles in Leavenworth County.

The new truck will replace an existing 1972 model that does not meet the National Fire Protection Association (NFPA) standards. The new pumper truck will replace this unit and will be in compliance with NFPA standards. The new truck will result in a lower insurance rating for the Fire Department that will result in lower insurance premiums for area residents. Total cost of the truck is \$200,000.

- **Farmers Telephone Company, Essex, Iowa**
Purchase a new fire truck - \$128,000

The loan will assist the City of Essex (City), located in Page County, Iowa, in financing the purchase of a new fire truck for the Essex Fire Rescue Department (EFR), a volunteer rescue and fire fighting team of 29 volunteers. The new truck will be used to meet the rescue, emergency, and fire fighting needs of the EFR. The EFR serves both the City and the surrounding rural area, covering 152 square miles. EFR also has mutual aid agreements with surrounding fire departments. Up-to-date fire protection services will also have a positive effect on community insurance rates. Total cost of the truck is \$160,000.

**RURAL ECONOMIC DEVELOPMENT GRANT AWARDS
SECOND QUARTER FISCAL YEAR 2002**

Description of Projects

- **North West Rural Electric Cooperative, Orange City, Iowa**
Community college building expansion - \$200,000

The grant will be used to enhance an existing revolving loan fund program. The initial loan will assist the Northwest Iowa Community College (NCC) in financing a building expansion at its campus in Sheldon, Sioux County, Iowa. NCC, a public institution, proposes to renovate and expand its Building C that will permit NCC to expand and add new classes including the addition of a Computer Network Technology program. The project will improve access to courses offered over the Iowa Communication Network, a distance learning network, and house a new computer lab. The project will also allow NCC to add a high school component to its existing Industrial Implementation and Control Program. This will give high school juniors and seniors an opportunity to earn college credit. The expansion will add 5,800 square feet to Building C, providing new classrooms, a computer lab, meeting rooms, student locker and storage space, and will reconfigure the size of the auditorium to seat 120 people. NCC employs 154 full-time faculty and staff members and 40 adjunct instructors throughout its system. Two new instructor positions will be made available at the Sheldon campus as a result of this project. Total cost of the project is estimated at \$1.7 million.

- **Lyon Rural Electric Cooperative, Rock Rapids, Iowa**
Construct a new physician clinic - \$100,000

The grant will be used to enhance an existing revolving loan fund program. The initial loan will assist Merrill Pioneer Community Hospital Association (MPCHA) in financing the construction of a new physician clinic in the community of George in Lyon County, Iowa. The existing facility in George is in need of extensive repairs to meet modern health code requirements, ADA requirements, electrical code requirements, and demands of increased patient traffic. Renovation is cost prohibitive. MPCHA, therefore, will construct a new 2,050 square facility that will include 3 exam rooms, a nurse's station, and provide adequate space for a future x-ray facility. MPCHA will lease the facility to the Sioux Valley Regional Health Services (Sioux Valley). Sioux Valley is part of a large hospital, clinic, and nursing home health system. Together, MPCHA and Sioux Valley have the staff to oversee the project and operate the new clinic. The project will provide for one additional job position. Total cost of the clinic is \$200,000.

- **Jones Onslow Electric Membership Corporation, Jacksonville, North Carolina**
Business Park Infrastructure - \$200,000

The grant will be used to establish a revolving loan fund program. The initial loan will be made to the Onslow County Economic Development Commission to assist in the development of road infrastructure for the Burton Business Industrial Park in rural Onslow County, North Carolina. The infrastructure is vital for the expansion and development of the business park in order to attract, encourage, and promote commercial and industrial development in this rural area. Three existing Onslow County businesses have indicated their desire to relocate to the park. Phase I of the development of the park include roads, water and sewer installation. Total cost of the road development is estimated to be \$463,574.

- **Western Cooperative Electric Association, Inc., Wakeeney, Kansas**
Purchase a fire truck - \$160,000

The grant will be used to enhance an existing revolving loan fund program. The initial loan will be made to the Ellis County Commission to assist the county's rural fire department (RFD) with the purchase of a new fire truck. The RFD uses seven company stations throughout Ellis County from which it dispatches equipment and 70 volunteer fire fighters to fight rural fires. The only full-time paid employee of the RFD is the fire chief. The new truck will be for Company No. 6 located in the community of Ellis. The new truck, with a pumping capacity of 1,000 gallons per minute (gpm), will replace an out-of-service 1973 250-gpm model. The cost of the truck is \$195,000.

- **Goodhue County Cooperative Electric Association, Zumbrota, Minnesota**
Construct a new city hall and community center - \$200,000

The grant will be used to establish a revolving loan fund program. The initial loan will assist the Wanamingo Economic Development Authority (EDA) in financing the construction of a new city hall and community center for the City of Wanamingo (City) in Goodhue County, Minnesota. The Wanamingo EDA will lease the facility to the City. The new 7,000 square foot facility will replace the former city hall that was destroyed by fire on December 25, 2000. In addition to the building being used for professional activities, it will also be available for community and social activities. The community center will comprise approximately 3,500 square feet of the building space. Total cost of the project is approximately \$717,000.

February 21, 2002

SUBJECT: Intermediary Relending Program
Second Quarter Funding

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The Fiscal Year 2002 second quarter funding selections for the Intermediary Relending Program (IRP) non-earmarked funds are listed below for your information. The priority points for each project are inclusive of any Administrator points that were awarded. The selections are as follows:

State	Project Name	Amount	Priority Points
GU	Pacific Islands Development Bank	\$ 500,000	220
PA	Office of Economic & Community Development Of the City of Bradford	500,000	185
OR	Greater Eastern Oregon Development Corp.	500,000	183
NC	Advancement, Inc.	750,000	176
SD	West River Foundation of Ec. and Comm. Dvlp	750,000	171
NC	Mountain Microenterprise Fund, Inc.	50,000	168
PA	Community First Fund	495,000	168
CA	Certified Dvlp Corporation of Colusa County	500,000	166
MT	Headwaters RC&D Area, Inc.	600,000	164
SC	Appalachian Development Corporation	750,000	164
SD	Interstate Telecommunication Cooperative, Inc.	750,000	156
	Total	\$6,145,000	

EXPIRATION DATE:
September 30, 2002

FILING INSTRUCTIONS:
Community/Business Programs

Please provide appropriate notification to all applicants that did not receive an allocation. Applications that have been considered for an allocation of funds in four quarterly funding cycles will receive no further consideration, in accordance with RD Instruction 4274-D, section 4274.344(b). Applications that have been considered in less than four quarterly funding cycles will be considered again next quarter. Any revisions in priority scoresheets that are intended for consideration in the funding cycle for the third quarter of FY 2002 must be received in the National Office **by April 30, 2002.**

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

February 21, 2002

SUBJECT: Rural Business-Cooperative Service
Civil Rights Program Compliance

TO: State Directors, Rural Development

ATTN: Business Programs Directors

A same subject Administrative Notice (AN), RD AN 3700 (1901-E), was issued on January 31, 2002, providing guidance to field staff concerning Rural Business-Cooperative Service compliance with applicable Civil Rights laws, Executive Orders, and program requirements.

There have been numerous inquiries from the field pertaining to this AN, and questions have arisen. Within the next 2 to 3 weeks, we will be scheduling a teleconference to discuss the contents of this AN and respond to any questions you have. It will be helpful if you would provide any questions/comments pertaining to this subject so we are prepared to respond during the teleconference. Your questions/comments should be e-mailed directly to Donnetta Rigney, Special Projects/Programs Oversight Division (donnetta.rigney@usda.gov) **by close of business on Wednesday, February 27, 2002.**

The date and time of the teleconference will be provided to you as soon as possible.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

EXPIRATION DATE:
March 30, 2002

FILING INSTRUCTIONS:
Community/Business Programs

Sent by electronic mail on 02-21-02 at 11:53 a.m. by DABP.

February 21, 2002

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors
Rural Development Managers
and Community Development Managers

ATTN: Rural Housing, Program Director

The following interest rate, effective March 1, 2002, is changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	2.280%	2.180%

The Department of Treasury, working with Congress has eliminated the auction of the 52-week bill. The Treasury Judgement rate therefore is no longer based on this auction. The Treasury Judgement rate is now based on the weekly average 1-year Constant Maturity Treasury (CMT) yield. The rate is published by the Federal Reserve System, Board of Governors. The current rate shown above is as of the week ending 1/25/02. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest.

EXPIRATION DATE:
March 31, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

Please notify appropriate personnel of this interest rate information.

(Signed by James C. Alsop)

JAMES C. ALSOP
Acting Administrator
Rural Housing Service

Sent by Electronic Mail on 02/21/02 at 9:58 a.m. by PAD.

February 8, 2002

SUBJECT: Administrative Budget Teleconference

TO: Rural Development State Directors

ATTN: Administrative Program Directors

A teleconference has been scheduled for **Tuesday, February 19, 2002, from 2:00 p.m. to 3:00 p.m. EST**. To connect to the teleconference, please call **202-554-0199**. The access code is 2500 followed by the pound (#) sign. A total of 55 lines have been made available for this call, so please maximize the number of employees calling from each location.

The purpose of the teleconference is to discuss issues related to the FY 2002 administrative budget and the Foundation Financial Information System (FFIS). All State personnel who perform work on administrative budgets and/or FFIS for your area are encouraged to participate.

If you have issues of a general nature that you would like to have addressed, please relay your **requests no later than COB Wednesday, February 13, 2002**. General administrative budget issues may be sent to Deborah Watt at dwatt@rdasun2.rurdev.usda.gov. Issues relating to FFIS may be sent to the Fiscal Control Branch at fcbl@stl.rural.usda.gov. Due to time constraints, we may not be able to address specific questions regarding your State that do not pertain to the mission area as a whole.

Please call Deborah Watt at 202-692-0124 if you have any questions regarding the teleconference.

(Signed by Deborah B. Lawrence)

DEBORAH B. LAWRENCE
Acting Director
Budget Division

EXPIRATION DATE:
February 28, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 2/11/02 at 4:55 p.m. by BD.

February 8, 2002

SUBJECT: Administrative Budget Teleconference

TO: National Office Officials

A teleconference has been scheduled for **Wednesday, February 20, 2002, from 10:00 a.m. to 11:00 a.m. EST**. The Teleconference Center in **Room 1605-S** has been reserved for use by employees in the South Building and the Whitten Building in Washington, DC. Only employees at other locations may dial into the teleconference by calling **202-554-0199**. The access code is 2501 followed by the (#) sign. A total of 20 lines are available, so employees are urged to maximize the number of employees calling from each location to ensure access for everyone who wants to attend.

The purpose of the teleconference is to discuss issues related to the FY 2002 administrative budget and the Foundation Financial Information System (FFIS). All National Office personnel who perform work on administrative budgets and/or FFIS for your area are encouraged to participate.

If you have issues of a general nature that you would like to have addressed, please relay your requests **no later than COB Thursday, February 14, 2002**. General administrative budget issues may be sent to Deborah Watt at dwatt@rdasun2.rurdev.usda.gov. Issues relating to FFIS may be sent to the Fiscal Control Branch at fcbl@stl.rural.usda.gov. Due to time constraints, we may not be able to address specific questions regarding your area that do not pertain to the mission area as a whole.

Please call Deborah Watt at 202-692-0124 if you have any questions regarding the teleconference.

(Signed by Deborah B. Lawrence)

DEBORAH B. LAWRENCE
Acting Director
Budget Division

EXPIRATION DATE:
February 28, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 2/11/02 at 4:58 p.m. by BD.

February 5, 2002

SUBJECT: Fiscal Year (FY) 2002 Procurement Preference Program Goals

TO: Rural Development State Directors

ATTN: Directors, Administrative Programs and
Procurement Personnel

This memorandum transmits the FY 2002 Procurement Preference Program Goals for Rural Development (Attachment) for your information. While the attachment shows the totals for all Rural Development procurement, the State Office goals are as follows:

	<u>State Office Goals</u>
Small Businesses	56%
8(a) Program Businesses	1%
Small Disadvantaged Businesses (Other than 8(a))	5%
Women-Owned Small Businesses	5%
HubZone Small Businesses	.5%
Service Disabled Veteran Small Businesses	.5%

The FY 2002 goals reflect Rural Development's continued commitment to contracting with small businesses. The goals also correspond with the Small Business Act (Public Law 85-536), which promotes the use of small business contracts and subcontracts as a means of strengthening the Nation's economy.

Procurement preference program information is available on the Small Business Administration's (SBA) website at www.sba.gov, or the Department's Office of Small and Disadvantaged Business Utilization (OSDBU) website at www.usda.gov/osdbu. The Department's OSDBU can be contacted at (202) 720-7117.

EXPIRATION DATE:
September 30, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

Remember to report actions contracted with small businesses in the Federal Procurement Data System (FPDS). It is essential that the proper SF-281 code is assigned to all procurement actions, and that coding errors are corrected quickly in FPDS since SBA accesses it directly to report the Agency achievements. The latest list of valid SF-281 codes can be found in Title II, Chapter 5, Bulletin 00-4, dated November 17, 2000, at www.nfc.usda.gov. The latest SF-279 form can be found in the USDA Procurement Reporting System (SF279/281) at www.usda.gov/procurement/toolkit/index.html.

If you have any questions about the Procurement Preference Program Goals, call the Rural Development OSDBU Coordinator, Myrtis L. Robinson, at (202) 692-0115 or email at myrtis.robinson@usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Acting Deputy Administrator
Operations and Management

Attachment

ATTACHMENT

AGENCY NAME: Rural Development

FISCAL YEAR 2002

PROCUREMENT PREFERENCE PROGRAM GOALS

Total Procurement Dollars: \$35,229 (million)

	<u>Number</u>	<u>Dollars</u>	<u>Percent</u>
Small Businesses	1020	\$19,728	56%
8(a) Program Businesses	40	\$2,289	6.5%
Small Disadvantaged Businesses (Other than 8(a))	40	\$1,761	5%
Women-Owned Small Businesses	80	\$1,761	5%
HubZone Small Businesses	2	\$880	2.5%
Service Disabled Veteran Small Businesses	2	\$1,056	3%

Total Subcontracting Dollars: \$1,874 (million)

	<u>Number</u>	<u>Dollars</u>	<u>Percent</u>
Small Businesses	4	\$374	20%
Small Disadvantaged Businesses	2	\$93	5%
Women-Owned Small Businesses	2	\$93	2.5%
HubZone Small Businesses	1	\$46	3%
Service Disabled Veteran Small Businesses	1	\$56	3%
Veteran Owned Small Businesses	1	\$56	3%

The FY 2002 Procurement Preference Program goals cover all procurement actions, but exclude purchase card transactions, reimbursable agreements, grants and cooperative agreements, and contracts using non-appropriated funds.

The plan for subcontracting was based on the potential for subcontracting opportunities, using appropriated funds, in current contracts and projected FY 2002 contract awards.

February 5, 2002

SUBJECT: REMINDER - Personal Use of Government Equipment

TO: All Rural Development Employees

FROM: Sherie Hinton Henry *(Signed by Sherie Hinton Henry)*
Acting Deputy Administrator
for Operations and Management

I am concerned about the increasing use of Government equipment for personal use. To eliminate any confusion, I am forwarding this memorandum to clarify the acceptable usage of Government equipment. In the past, that question dealt primarily with the use of telephones. Now that all employees have a personal computer (PC) and access to the Internet, questions have been asked as to when/whether employees may use these Government properties, as well, for personal use. While this letter specifically addresses the personal use of PC's, the information in here also applies to other Government equipment, such as faxes and copiers.

As with telephones, limited personal use, with prior supervisory approval, of such Government office equipment during non-work time can be considered an "authorized" use. That use cannot result in the loss of employee productivity or interfere with official duties. There are some personal uses of PC's and the Internet which are clearly inappropriate and will not be allowed at any time. Some uses deemed "inappropriate" are playing games, the creation or transmission of chain letters, creation/viewing/downloading of sexually explicit or sexually oriented materials, gambling, activities related to commercial or other non-Government business purposes, or sites depicting, encouraging or espousing the use of violence. Obviously, it is not possible or desirable to create an all-inclusive list of improper uses and I am not suggesting the above is an exhaustive list. Additionally, no software should be installed on Government equipment unless certified by the Rural Development Information Resources Management third party test branch or where appropriate, the Service Center Modernization Initiative Interoperability Lab. This includes home use software (such as Real Player), screen savers, games, etc. The security consideration of maintaining control over who has access to our automated systems is paramount.

EXPIRATION DATE:
January 30, 2003

FILING INSTRUCTION:
Administrative /Other Programs

The cost of personal, often unauthorized, Internet access at work can be dramatic. For an employee earning \$40,000 per year, one hour a day spent on non-business related Internet access costs the taxpayer \$20 per day or approximately \$5,000 per year/person in lost salary expense alone, before you add in the overhead costs. Multiply this by the number of employees in Rural Development and the cost becomes staggering.

Keep in mind that we, as Executive Branch employees, do not have a right, nor should we have an expectation, of privacy while using Government office equipment, including the Internet and email. By using Government equipment, we are giving our implied consent to the disclosure of files maintained on the equipment and to the monitoring and recording, with or without cause, of any use we make of such equipment.

As employees of the taxpayers, we have an obligation to conserve the Government resources, including equipment, which have been provided to us by the public's money. We always strive to live up to the trust placed in us by the taxpayers and we will continue to do so.

February 8, 2002

SUBJECT: Administrative Budget Teleconference

TO: Rural Development State Directors

ATTN: Administrative Program Directors

A teleconference has been scheduled for **Tuesday, February 19, 2002, from 2:00 p.m. to 3:00 p.m. EST**. To connect to the teleconference, please call **202-554-0199**. The access code is 2500 followed by the pound (#) sign. A total of 55 lines have been made available for this call, so please maximize the number of employees calling from each location.

The purpose of the teleconference is to discuss issues related to the FY 2002 administrative budget and the Foundation Financial Information System (FFIS). All State personnel who perform work on administrative budgets and/or FFIS for your area are encouraged to participate.

If you have issues of a general nature that you would like to have addressed, please relay your **requests no later than COB Wednesday, February 13, 2002**. General administrative budget issues may be sent to Deborah Watt at dwatt@rdasun2.rurdev.usda.gov. Issues relating to FFIS may be sent to the Fiscal Control Branch at fcf@stl.rural.usda.gov. Due to time constraints, we may not be able to address specific questions regarding your State that do not pertain to the mission area as a whole.

Please call Deborah Watt at 202-692-0124 if you have any questions regarding the teleconference.

(Signed by Deborah B. Lawrence)

DEBORAH B. LAWRENCE
Acting Director
Budget Division

EXPIRATION DATE:
February 28, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 02/11/02 at 4:55 p.m. by BD.

February 8, 2002

SUBJECT: Administrative Budget Teleconference

TO: National Office Officials

A teleconference has been scheduled for **Wednesday, February 20, 2002, from 10:00 a.m. to 11:00 a.m. EST**. The Teleconference Center in **Room 1605-S** has been reserved for use by employees in the South Building and the Whitten Building in Washington, DC. Only employees at other locations may dial into the teleconference by calling **202-554-0199**. The access code is 2501 followed by the (#) sign. A total of 20 lines are available, so employees are urged to maximize the number of employees calling from each location to ensure access for everyone who wants to attend.

The purpose of the teleconference is to discuss issues related to the FY 2002 administrative budget and the Foundation Financial Information System (FFIS). All National Office personnel who perform work on administrative budgets and/or FFIS for your area are encouraged to participate.

If you have issues of a general nature that you would like to have addressed, please relay your requests **no later than COB Thursday, February 14, 2002**. General administrative budget issues may be sent to Deborah Watt at dwatt@rdasun2.rurdev.usda.gov. Issues relating to FFIS may be sent to the Fiscal Control Branch at fcbl@stl.rural.usda.gov. Due to time constraints, we may not be able to address specific questions regarding your area that do not pertain to the mission area as a whole.

Please call Deborah Watt at 202-692-0124 if you have any questions regarding the teleconference.

(Signed by Deborah B. Lawrence)

DEBORAH B. LAWRENCE
Acting Director
Budget Division

EXPIRATION DATE:
February 28, 2002

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 02/11/02 at 4:58 p.m. by BD.

February 1, 2002

SUBJECT: Rural Economic Development Loan and Grant Program
Maximum Dollar Amount on Awards for Fiscal Year 2002

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is to advise you of the fiscal year 2002 maximum loan and grants awards under the Rural Economic Development Loan and Grant (REDLG) program.

For FY 2002, the amount of \$14,966 million has been authorized for zero-interest loans and the amount of \$4 million has been authorized for grants under the REDLG program. During FY 2002, the maximum dollar award for zero-interest loans is \$450,000, and the maximum dollar awards for grants is \$200,000. Attached is a copy of the January 18, 2002, Federal Register Notice announcing the maximum award limits. Please ensure that all program-eligible utilities within your state are advised of these FY 2002 award limits. Thank you for your cooperation in this matter.

If you have any questions concerning this memorandum, please call Patricia Wing, Loan Specialist, Specialty Lenders Division Processing Branch, (202) 720-9558.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

Attachment

EXPIRATION DATE:
September 30, 2002

FILING INSTRUCTIONS:
Community & Business Programs

Schools and Community Self-Determination Act of 2000.

FOR FURTHER INFORMATION CONTACT:

Direct questions regarding this meeting to Jon Vanderheyden, Designated Federal Official, USDA Forest Service, Mt. Baker-Snoqualmie National Forest, 810 Stated Route 20, Sedro Woolley, Washington 98284 (360-856-5700, Extension 201).

Dated: January 11, 2002.

Jon Vanderheyden,

Designated Federal Official.

[FR Doc. 02-1310 Filed 1-17-02; 8:45 am]

BILLING CODE 3410-11-M

DEPARTMENT OF AGRICULTURE

Forest Service

Siuslaw Resource Advisory Committee Meeting

AGENCY: Forest Service, USDA.

ACTION: Notice of meeting.

SUMMARY: The Siuslaw Resource Advisory Committee (RAC) will meet on February 7 and 8, 2002. The meeting will begin at 9 a.m. in the Siuslaw Valley Fire & Rescue Station, 2625 Highway 101 N., Florence, OR. Draft agenda items include: Assigning Priorities to Title II Projects; and Public Forum. The meeting is expected to adjourn at 4 p.m. Interested citizens are encouraged to attend.

FOR FURTHER INFORMATION CONTACT:

Linda Stanley, Community Development Specialist, Siuslaw National Forest, 541/750-7210 or write to Forest Supervisor, Siuslaw National Forest, PO Box 1148, Corvallis, OR 97339.

Dated: January 11, 2002.

Gloria D. Brown,

Forest Supervisor.

[FR Doc. 02-1311 Filed 1-17-02; 8:45 am]

BILLING CODE 3410-11-M

DEPARTMENT OF AGRICULTURE

Natural Resources Conservation Service

Pellaphalia Creek Watershed, Leake County, MS

AGENCY: Natural Resources Conservation Service, USDA.

ACTION: Notice of a Finding of No Significant Impact.

SUMMARY: Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969; the Council on Environmental Quality Regulations (40

CFR part 1500); and the Natural Resources Conservation Service Regulations (7 CFR part 650); the Natural Resources Conservation Service, U.S. Department of Agriculture, gives notice that an environmental impact statement is not being prepared for Pellaphalia Creek Watershed, Leake County, Mississippi.

FOR FURTHER INFORMATION CONTACT:

Homer L. Wilkes, State Conservationist, Natural Resources Conservation Service, Suite 1321, A.H. McCoy Federal Building, 100 West Capitol Street, Jackson, Mississippi 39269, Telephone: 601-965-5205.

SUPPLEMENTARY INFORMATION: The environmental assessment of this Federal assisted action indicates that the project will not cause significant local, regional, or national impacts on the environment. As a result of these findings, Homer L. Wilkes, State Conservationist had determined that the preparation and review of an environmental impact statement are not needed for this project.

The project concerns a watershed plan to reduce flood damage to the disadvantaged residents of a rural Leake County community in the Pellaphalia Creek Watershed. The planned works of improvement consists of installing one Class I Dike (levee) and elevating one residence above the 100-year elevation.

The Notice of a Finding of No Significant Impact (FONSI) has been forwarded to the Environmental Protection Agency and to various Federal, State, and local agencies and interested parties. A limited number of copies of the FONSI are available to fill single copy requests at the above address. Basic data developed during the environmental assessment are on file and may be reviewed by contacting Homer L. Wilkes. No administrative action on implementation of the proposal will be taken until 30 days after the date of this publication in the **Federal Register**.

(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.904—Watershed Protection and Flood Prevention and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials.)

Dated: January 11, 2002.

Homer L. Wilkes,

State Conservationist.

[FR Doc. 02-1288 Filed 1-17-02; 8:45 am]

BILLING CODE 3410-16-P

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Maximum Dollar Amount on Awards Under the Rural Economic Development Loan and Grant Program for Fiscal Year 2002

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Business-Cooperative Service hereby announces the maximum dollar amount on loan and grant awards under the Rural Economic Development Loan and Grant (REDLG) program for fiscal year (FY) 2002. The maximum dollar award on zero-interest loans for FY 2002 is \$450,000. The maximum dollar award on grants for FY 2002 is \$200,000. The maximum loan and grant awards stated in this notice are effective for loans and grants made during the fiscal year beginning October 1, 2001, and ending September 30, 2002. REDLG loans and grants are available to Rural Utilities Service electric and telephone utilities to assist in developing rural areas from an economic standpoint.

FOR FURTHER INFORMATION CONTACT:

Patricia Wing, Loan Specialist, Rural Business-Cooperative Service, USDA, STOP 3225, Room 6870, 1400 Independence Avenue, SW., Washington, DC 20250. Telephone: (202) 720-9558. FAX: (202) 720-6561.

SUPPLEMENTARY INFORMATION: The maximum loan and grant awards are determined in accordance with 7 CFR 1703.28. The maximum loan and grant awards are calculated as 3.0 percent of the projected program levels, rounded to the nearest \$10,000; however, as specified in 7 CFR 1703.28(b), regardless of the projected total amount that will be available, the maximum size may not be lower than \$200,000. The projected program level during FY 2002 for zero-interest loans is \$14.966 million and the projected program level for grants is \$4 million. Applying the specified 3.0 percent to the program level for loans, rounded to the nearest \$10,000, results in the maximum loan award of \$450,000. Applying the specified 3.0 percent to the program level for grants results in an amount lower than \$200,000. Therefore, the maximum grant award for FY 2002 will be \$200,000.

Dated: December 7, 2001.

John Rosso,

Acting Administrator, Rural Business-Cooperative Service.

[FR Doc. 02-1286 Filed 1-17-02; 8:45 am]

BILLING CODE 3410-XY-U